



## PRESS RELEASE

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### **AG Gansler: Pa. Contractor Pays \$1.675 Million to Resolve Breach of Contract Case**

***Keystone Peer Review Organization, Inc. billed for unnecessary reviews***

**Baltimore, MD (May 27, 2014)** - Attorney General Douglas F. Gansler announced today that the state has entered into a \$1.675 million settlement agreement with the Keystone Peer Review Organization, Inc. ("KePRO") to resolve allegations of improper performance of a contract with the Medicaid program.

"The use of taxpayer dollars should always be closely scrutinized," said Attorney General Gansler. "This settlement ensures Marylanders are not paying more than they should for the work outlined in this contract."

KePRO, based in Harrisburg, Pa., was hired to review certain hospital and nursing home stays to ensure that the treatment given to Medicaid recipients was medically necessary. In performing the contract, KePRO billed the Medicaid program for reviewing certain hospital stays for patients who did not receive Medicaid benefits. It also performed more reviews than were necessary to assess the patients' care and evaluate the necessity of the treatment.

The settlement was the result of a joint investigation by the Attorney General's Medicaid Fraud Control Unit and the Department of Health and Mental Hygiene. Attorney General Gansler thanked Assistant Attorneys General David Lapp, Michael Gorfinkle, and Shelly Marie Martin and Medicaid Fraud Control Unit investigative auditor Carol Kelly for their work on this case.